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HOUSE BILL 568

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Mimi Stewart

AN ACT

RELATING TO TAXATION; DECOUPLING THE ESTATE TAX ACT FROM
FEDERAL ESTATE TAX CHANGES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-7-2 NMSA 1978 (being Laws 1973,
Chapter 345, Section 2, as amended) is amended to read:

"7-7-2. DEFINITIONS.--As used in the Estate Tax Act:

A. "department" means the taxation and revenue
department, the secretary of taxation and revenue or any
employee of the department exercising authority lawfully
delegated to that employee by the secretary;

B. "certificate" means a certificate of no tax due
or a receipt for payment of the tax due under the Estate Tax
Act;

C. "decendent" means a deceased individual;

underscored material = new
[bracketed material] = delete

1 D. "federal credit":

2 (1) means the maximum amount of the credit for
3 ~~[estate]~~ state death taxes allowed for the decedent's net
4 estate by Section 2011 ~~[for the decedent's net estate]~~ in
5 effect on December 31, 2000 disregarding:

6 (a) the reduction of the maximum credit
7 in Section 2011(b)(2);

8 (b) the period of limitations in Section
9 2011(c); and

10 (c) the termination provision contained
11 in Section 2011(f); and

12 (2) does not include an amount equal to two
13 hundred fifty thousand dollars (\$250,000) plus the applicable
14 exclusion amount for the year of the decedent's death contained
15 in Section 2010 of the Internal Revenue Code of 1986, as
16 amended or renumbered and in effect on December 31, 2000;

17 E. "gross estate" means "gross estate" as defined
18 and used in Section 2031 of the United States Internal Revenue
19 Code of 1986, as amended or renumbered;

20 F. "net estate" means "taxable estate" as defined
21 in Section 2051 of the United States Internal Revenue Code of
22 1986 ~~[as amended or renumbered]~~ in effect as of the date of the
23 decedent's death, except that the state death tax deduction
24 contained in Section 2058 is to be disregarded;

25 G. "nonresident" means a decedent who was domiciled

underscored material = new
[bracketed material] = delete

1 outside New Mexico at [~~his~~] death;

2 H. "person" means any individual, estate, trust,
3 receiver, cooperative association, club, corporation, company,
4 firm, partnership, joint venture, syndicate or other entity
5 and, to the extent permitted by law, any federal, state or
6 other governmental unit or subdivision or agency, department or
7 instrumentality thereof;

8 I. "personal representative" means the executor or
9 administrator of a decedent or, if no executor or administrator
10 is appointed, qualified and acting, any person who has
11 possession of any property;

12 J. "property" means property included in the gross
13 estate;

14 K. "resident" means a decedent who was domiciled in
15 New Mexico at [~~his~~] death;

16 L. "Section 2011" means Section 2011 of the United
17 States Internal Revenue Code of 1986, as amended or renumbered,
18 as of December 31, 2000; and

19 M. "transfer" means "transfer" as defined and used
20 in Section 2001 of the United States Internal Revenue Code of
21 1986, as amended or renumbered."

22 Section 2. APPLICABILITY.--The provisions of this act
23 apply to deaths occurring on or after January 1, 2005.